

## Message Text

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ACTION EB-08

INFO OCT-01 EA-12 ISO-00 COME-00 MMO-04 USIA-15 OES-07  
/047 W

-----066588 171226Z /20

R 170916Z FEB 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1908

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

/AMCONGEN HONG KONG 7341

UNCLAS SECTION 1 OF 2 MANILA 2751

E.O. 11652: N/A

TAGS: BEXP, RP

SUBJECT: FY 1980 CCP PRELIMINARY CONTRIBUTION

REF: STATE 002688

1. MANILA FY 1980 COUNTRY COMMERCIAL PROGRAM SHOULD INCLUDE  
FIVE CAMPAIGNS AND FIVE SPECIAL ACTIVITIES. RECOMMENDED  
CAMPAIGN THEMES IN ORDER OF PRIORITY ARE:

A. COMPUTERS AND PERIPHERAL EQUIPMENT

B. TELECOMMUNICATIONS EQUIPMENT AND SYSTEMS

C. ENERGY SYSTEMS AND INDUSTRIAL POWER EQUIPMENT

D. MAJOR PROJECTS

E. FURTHER IMPROVEMENT OF U.S. BUSINESS CENTER

2. SPECIAL ACTIVITIES IN PRIORITY ORDER ARE:

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A. EMBASSY ATTEMPTS TO SOLVE OUTSTANDING TRADE PROBLEMS

B. EMBASSY INVOLVEMENT WITH U.S. BUSINESS COMMUNITY

C. IMPROVEMENT OF INVESTMENT CLIMATE

D. FOREIGN BUYER PROGRAM

3. JUSTIFICATION FOR ABOVE FOLLOWS:

A. THE PHILIPPINE MARKET FOR COMPUTERS AND PERIPHERAL EQUIPMENT WAS VALUED AT \$13.5 MILLION IN 1976, A 55 PER CENT INCREASE OVER THE 1975 VALUE OF \$8.7 MILLION. IN 1977 THE MARKET WAS \$18.5, AN INCREASE OF 27 PERCENT. WE FEEL THAT BY 1980, CONSUMPTION WILL HAVE REACHED \$40 MILLION.

B. THE TOTAL IMPORT MARKET FOR TELECOMMUNICATIONS EQUIPMENT INTO THE PHILIPPINES WAS \$23.8 MILLION IN 1976 AND THE UNITED STATES HAD \$13 MILLION OR ABOUT 55 PERCENT OF IT. IN 1977, IMPORT OF THIS EQUIPMENT WAS ESTIMATED TO REACH \$28.5 MILLION WITH THE U.S. HAVING 40 PERCENT. THE PHILIPPINES IS INVOLVED IN A GIGANTIC AND COMPREHENSIVE PLAN TO BRING TELEPHONE AND TELEVISION SERVICES TO THE ENTIRE NATION. ACCORDINGLY, INCREASES IN TELECOMMUNICATIONS IMPORTS ARE EXPECTED TO CONTINUE AND THE POST BELIEVES THAT IT SHOULD WORK TO PROTECT AND ENHANCE THE U.S. SHARE OF THAT MARKET. EXCELLENT MARKET OPPORTUNITIES EXIST FOR THE FOLLOWING:

ELECTRONIC SWITCHING EQUIPMENT

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DIGITAL RADIO EQUIPMENT

SOLAR POWER SUPPLIES SUCH AS REPEATERS, LOW DENSITY RADIO LINKS IN THE UHF OR MICROWAVE BANDS, 6-12 CHANNELS, PORTABLE TYPE, FOR USE IN THE RURAL AREAS.

DOMESTIC SATELLITE EQUIPMENT SUCH AS STUDIO TO TRANSMITTER LINKS AND MICROWAVE LINKS.

MARITIME SATELLITE EQUIPMENT SUCH AS SHIPBOARD SATELLITE TERMINALS.

AIRBORNE TELECOMMUNICATION AIDS SUCH AS DIGITAL RADARS AND DISTANCE MEASURING EQUIPMENT (DMES).

NAVIGATIONAL TELECOMMUNICATION AIDS SUCH AS AUTOMATIC DIRECTION FINDERS (ADFS) AND INTEGRATED NAVY SYSTEMS.

ELECTRONICALLY OPERATED TELEPRINTERS.

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R 170916Z FEB 78  
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C. ENERGY SYSTEMS AND INDUSTRIAL POWER EQUIPMENT SHOULD REMAIN A PRODUCT CATEGORY WITH A HIGH ANBWACCELERATING LEVEL OF IMPORTS FOR SOME TIME TO COME. THE PHILIPPINES PRESENTLY IMPORTS OVER \$40 MILLION IN INDUSTRIAL POWER EQUIPMENT AND ENERGY SYSTEMS PER YEAR AND THE U.S. SHARE IS ABOUT 35 PERCENT. SINCE THE INDUSTRIES WHERE THE EQUIPMENT IS MAINLY USED, NAMELY, POWER UTILITIES, MINES, SUGAR MILLS, PULP MILLS, AND PRODUCERS OF WOOD PRODUCTS, ALL HAVE HIGH PRIORITY IN THE ECONOMIC DEVELOPMENT OF THE COUNTRY, THE POST FEELS THAT IT SHOULD GIVE RENEWED ATTENTION TO THE CATEGORY IN 1980.

D. IN THIS DEVELOPING COUNTRY WHERE THERE ARE TREMENDOUS LONG TERM NEEDS FOR THE DEVELOPMENT OF PORTS AND HARBOURS, SHIPPING, POWER, IRRIGATION, ROADS, AND ELECTRICAL AND ELECTRONIC COMMUNICATIONS, MAJOR PROJECTS SHOULD COMMAND MUCH ATTENTION. THE ASIAN DEVELOPMENT BANK, THE WORLD BANK AND INTERNATIONAL COMMERCIAL BANKS ARE EXPECTED TO HAVE CONTINUING INTEREST IN FINANCING THESE PROJECTS. ACCORDINGLY, THE POST BELIEVES THAT ATTENTION TO MAJOR PROJECTS SHOULD BE A CAMPAIGN LEVEL ACTIVITY FOR THE

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1980 CCP.

E. THE BUSINESS CENTER HAS ESTABLISHED A REPUTATION FOR OFFERING EXHIBITION, COMMERCIAL INFORMATION, AND OTHER TRADE PROMOTION FACILITIES AND HAS BEEN SUCCESSFUL IN THESE ROLES. ACCORDINGLY, THE POST HOPES TO CONTINUE TO HAVE THE OPERATION OF THE CENTER AS ONE OF ITS CAMPAIGNS.

F. EMBASSY'S ATTEMPTS TO SOLVE OUTSTANDING TRADE PROBLEMS, TO IMPROVE THE INVESTMENT CLIMATE, TO INVOLVED ITSELF WITH THE U.S. BUSINESS COMMUNITY, AND TO SUPPORT THE FOREIGN BUYERS PROGRAM HAVE THE SAME OBVIOUS RATIONALE AS GIVEN IN THE 1978 AND '79 CCP OTHER SPECIAL POST EFFORTS.  
NEWSOM

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Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
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